

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 275 - SB 729

March 19, 2009

SUMMARY OF BILL: Creates a new offense for a person to receive or attempt to receive housing in a housing project by giving false information or concealing material information if doing so results in the person qualifying for housing or a lower lease rate. Broadens the definition of “services” to include any other activity or product considered in the ordinary course of business to be a service, regardless of whether it is specifically listed in statute. Violation is punished as theft according to the value of the benefit the defendant derived from the offense.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$35,500/Incarceration*

Assumptions:

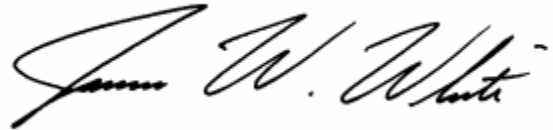
- Theft is currently punished according to the value of the property or services obtained ranging from a Class A misdemeanor to a Class B felony.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period.
- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2009 is \$59.80.
- DOC estimates one additional offender per year will be admitted for a Class E felony as a result of this bill. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender. According to DOC, the post-conviction average time served for a Class E felony is 1.63 years. The cost per offender at 1.63 years is \$35,548.11 (\$59.80 x 594.45 days).
- Since this bill creates a new offense, no recidivism discount has been included.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees,

taxes and costs collected. These expenditures and revenue are estimated to be not significant.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/lsc